

**MANAGEMENT RESPONSE TO THE
REQUEST FOR INSPECTION PANEL REVIEW OF THE
PAKISTAN: KHYBER PASS ECONOMIC CORRIDOR PROJECT (P159577)**

Management has reviewed the Request for Inspection of the Pakistan: Khyber Pass Economic Corridor Project (P159577) received by the Inspection Panel on June 1, 2024, and registered on July 8, 2024 (RQ24/04). Management has prepared the following response.

August 8, 2024

CONTENTS

Abbreviations and Acronyms	iv
Executive Summary	v
I. INTRODUCTION.....	1
II. THE REQUEST.....	1
III. PROJECT BACKGROUND.....	2
IV. SPECIAL ISSUES	7
V. MANAGEMENT’S RESPONSE.....	10

Map

Map 1. IBRD No. 48251

Annex

Annex 1. Claims and Responses

ABBREVIATIONS AND ACRONYMS

CESAP	Construction Environmental and Social Action Plan
ECNEC	Executive Committee of the National Economic Council
EHSGs	World Bank Group Environmental, Health and Safety Guidelines
EMA	External Monitoring Agent
ESCP	Environmental and Social Codes of Practice
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FATA	Federally Administered Tribal Areas
GeoLoMap	Geo-Referenced Local Master Plan
GRM	Grievance Redress Mechanism
IDA	International Development Association
IPN	Inspection Panel
KP	Khyber Pakhtunkhwa
KP-EPA	Khyber Pakhtunkhwa Environmental Protection Agency
LRP	Livelihood Restoration Plan
NEQS	National Environmental Quality Standards
NHA	National Highway Authority
PAPs	Project-affected Persons
PTEX	Peshawar-Torkham Expressway
RAP	Resettlement Action Plan
RFP	Request for Proposal
ROW	Right-of-Way
SLR	Southern Link Road
SMP-WGP	Spatial Master Plan for Western Greater Peshawar
TPP	Tree Plantation Plan
WBG	World Bank Group
WGP	Western Greater Peshawar

EXECUTIVE SUMMARY

The Project

- i. ***The Pakistan - Khyber Pass Economic Corridor Project (the Project) is supported by an IDA Credit of US\$460.6 million equivalent that was approved by the Bank's Board on June 14, 2018.*** The Project Development Objective is to expand economic activity between Pakistan and Afghanistan by improving regional connectivity and promoting private sector development along the Khyber Pass corridor. It will also generate local economic opportunities and create up to 100,000 new jobs in the Khyber district. In terms of connectivity, the Project intends to divert 6,651 vehicles per day from the existing road to a new expressway, benefitting the local communities.
- ii. ***Through Component I (Expressway Development) the Project will finance the detailed design, construction and supervision of the proposed four-lane Peshawar-Torkham Expressway (PTEX) and the Southern Link Road (SLR).*** Together they will reduce transit time and costs of regional and international trade going through the Khyber Pass, extend the Karachi–Lahore–Islamabad–Peshawar Trans-Pakistan Expressway System and form an integral part of the planned Peshawar–Kabul–Dushanbe Motorway. The National Highway Authority (NHA) is the implementing agency for Component I of the Project.
- iii. ***The SLR will be an access-controlled, dual carriageway highway connecting the existing National Highways N-5 and N-55 to the proposed PTEX.*** The SLR will allow heavy goods traffic coming from Karachi and other parts of country to bypass Peshawar city, thereby reducing severe traffic congestion inside Peshawar and improving air quality. The SLR is the focus of the Request for Inspection.
- iv. ***The Project uses a Design-Build modality.*** A characteristic feature of this modality is that the Request for Proposal (RFP) contains a preliminary alignment, and the bidders are invited to submit proposals for both the design and build stages of construction. For the SLR, the environmental and social impact assessment (ESIA) for the preliminary alignment was prepared, consulted upon, and disclosed in January 2024. As part of the Design-Build bidding process, bidders are requested to submit their technical and financial proposal based on their own site investigations and surveys. At this stage, bidders may recommend refinements to the preliminary alignment of the SLR contained in the RFP. However, any such refinements must remain within specific parameters, including a 2-km corridor. ***This contract modality is relevant to the Request because its characteristics explain why the final alignment for the SLR has not yet been determined and may be subject to refinements once a bidder has been selected and the final Design-Build contract issued.*** What the Project authorities have determined so far is a **preliminary alignment** of the SLR corridor. While the SLR ESIA has been prepared, once the SLR alignment is finalized, the Borrower's due diligence documents will have to be updated, reviewed and approved by the Project authorities and the Bank. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed.

The Request

v. The Request for Inspection was signed by 448 individuals living in the Project area of Khyber Pakhtunkhwa Province, Pakistan, who are represented by two individuals. The Requesters claim that the SLR will lead to housing loss, food insecurity, and livelihood disruptions. Concerns include inadequate compensation for affected people, delays in payments, and potential conflicts over land ownership. The Requesters also fear the Project may be abandoned without reversing the ensuing adverse impacts such as land acquisition. Environmental and social impacts such as noise, resettlement, and privacy concerns for women are highlighted, with criticism that the Project documents lack viable solutions to address these. Additionally, the Request alleges that community and local elected officials were not consulted about the Project.

Management's Response

vi. ***In Management's assessment, the Request does not demonstrate direct adverse impacts caused by or likely due to any failure of the Bank to implement its policies and procedures.*** Management is of the view that the Request is premature since no works have started and no impacts have materialized to date. There is no indication that the existing mitigation measures prepared in anticipation of the Project in accordance with Bank policy are insufficient to address any potential future impacts.

vii. ***Management is satisfied that the Project's environmental and social safeguard mitigation measures are adequate to address the kind of adverse impacts anticipated by the Requesters.*** The consultations conducted thus far have followed the Bank's policies and procedures. Some elected representatives from local government were not available for consultation during the initial stages of the Project as they had not taken office due to political turmoil at the time. Now that these representatives have assumed office, they will be included in the upcoming consultations to ensure their input is considered. It is also important to clarify that, at this point, no land acquisition has commenced, and consequently, no discussions regarding compensation have taken place.

viii. ***Management has carefully reviewed the concerns raised in the Request and believes that they have been appropriately and adequately addressed through Project design and the corresponding mitigation measures.*** The Bank has been working closely with the NHA, as part of Bank oversight, to support it in meeting the requirements of the applicable Bank policies. The Bank will also work with the NHA to continue and further intensify the dialogue with stakeholders, as well as actively reaching out to Project-affected community members. The NHA is required to mitigate any remaining or emerging concerns about the Project in accordance with Bank policy, and this will be diligently supervised by the Project supervision consultants and the Bank.

ix. ***The Project is still at very early stages of implementation: less than one percent of the loan is disbursed, the bidding process for the SLR is still ongoing, the contractor is yet to be hired, and no land acquisition or physical works have started to date. Management considers that Project activities to date meet the requirements of the***

relevant Bank policies and procedures. The potential risks and impacts raised in the Request have been identified and analyzed in the Project design and safeguard instruments, which set out mitigation measures to respond to environmental and social impacts during the design, construction, and operational phases of the Project. The ESIA, and the mitigation measures contained therein, have been prepared in accordance with Bank policy requirements.

x. ***The Government remains committed to the Project and to improving regional connectivity through the SLR.*** The delays in implementation due to the lengthy Government approval process and the COVID-19 pandemic have not diminished the Government's commitment to the Project. In February 2024, NHA started the bidding process. Bids from seven pre-selected bidders were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024. The selection of the contractor will also include the approval of the contractor's proposed alignment. After completion of contract award formalities, the contractor will prepare the detailed design within three months of contract signing, i.e., by end January 2025. After the alignment is finalized, the NHA is required to update the ESIA and draft Resettlement Action Plan (RAP) and submit them to the Bank. The ESIA and draft RAP must then be consulted upon and redisclosed, in local language. The NHA will not be able to start any land acquisition until the Bank issues its Letter of No Objection. By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on Project-affected persons (PAPs).

xi. ***Management recognizes that the placement of crucial road and transportation infrastructure that enhances connectivity can have adverse impacts on local communities. Since 2020, alternative options for the SLR alignment have been considered. The current preliminary alignment has been designed to avoid adverse impacts where feasible, or to minimize them.*** Management notes that some of the concerns raised might be based on outdated information, as the preliminary alignment has since been revised specifically to reduce the number of affected parties and mitigate the Project's impacts. Some of the concerns raised in the Request stem from the preliminary road alignment which – given the nature of the Design-Build contract for the Project – may be substantially revised upon contractor selection in September 2024. The final alignment will be disclosed and presented for consultations with stakeholders. The Requesters also seem to be flagging concerns and allegations of non-compliance that could be based on their experiences with other projects in the area, and that are not related to this Project or supported by the Bank. The Bank will work with the Borrower to help ensure that updated information about the Project design and potential impacts, as well as benefits, is made accessible to all interested stakeholders.

xii. ***Management does not believe that the Project is likely to be abandoned during implementation, despite the concern raised in the Request. The federal and provincial governments have both consistently demonstrated strong commitment to the Project, which has a high national priority.*** However, even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national law and Bank policy.

Conclusion

xiii. ***Management believes that the Bank has correctly applied its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor are they likely to be, directly or adversely affected by the alleged failure of the Bank to implement its policies and procedures.***

I. INTRODUCTION

1. On July 8, 2024, the Inspection Panel registered a Request for Inspection, IPN Request RQ24/04 (hereafter referred to as “the Request”), concerning the Pakistan: Khyber Pass Economic Corridor Project (P159577) financed by the International Development Association (IDA, or “the Bank”).
2. ***Structure of the Text.*** The document contains the following sections: Section II presents the Request, Section III provides background information on the Project, Section IV discusses special issues that are pertinent to the Request, and Section V contains Management’s response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format.

II. THE REQUEST

3. The Request for Inspection was submitted by 448 individuals living in the Project area of Khyber Pakhtunkhwa Province, Pakistan, represented by two individuals (hereafter referred to as the “Requesters”). The Requesters have asked for confidentiality.
4. The Request also contains the following Annexures that were shared:
 - Annexure A An excerpt from a report summarizing the consultation with Government Departments
 - Annexure B Ordinance No. V of 2023, An Ordinance to amend the National Highway Authority Act, 1991
 - Annexure C A list of names, contact information and signatures that the Request states are of members of local bodies who were consulted for the Project’s survey activities
 - Annexure D An article from Dawn titled, “Govt urged to repeal ‘abusive’ colonial-era land acquisition law”
 - Annexure E Annexure E is described in the Request Form as "signatures of the affected from different project area"
 - Annexure F Email correspondence between the Requesters and the Bank’s Grievance Redress Service
 - Other Documents Court Stay Order dated May 29, 2024; October 24, 2023 resolution nominating an individual [name redacted] as a convener of the committee on the construction of the Southern Link Road.

III. PROJECT BACKGROUND

5. ***The Project.*** The Pakistan: Khyber Pass Economic Corridor Project (the Project) was approved by the Board on June 14, 2018, for an IDA Credit of US\$460.60 million equivalent. The Project Development Objective is to expand economic activity between Pakistan and Afghanistan by improving regional connectivity and promoting private sector development along the Khyber Pass corridor. The National Highway Authority (NHA) is the implementing agency for Component I of the Project, while the Sustainable Development Unit of the Planning and Development Department of the Government of Khyber Pakhtunkhwa (KP) is the implementing agency for Component II of the Project. The Project is in EA Category A.

6. ***Project Restructuring.*** The Project was signed on December 13, 2019, after an 18-month delay due to the Borrower's internal approval processes, including initial approval of the PC-1¹ by the Executive Committee of the National Economic Council (ECNEC). At the request of the Government, the Project was restructured in June 2020: (a) to include the KP Planning and Development Department as the responsible implementing entity for Component II; (b) to integrate Component III (and its budget) into Components I and II; and (c) to extend the Project closing date by 23 months to May 28, 2026. The restructuring was completed on June 11, 2020 and the revised PC-1 was cleared by the ECNEC on July 16, 2020. The restructuring reflected key developments that took place between Board approval and signing, in particular the merger of the Federally Administered Tribal Areas (FATA) with Khyber Pakhtunkhwa Province, in which the Khyber district (a key Project district) is situated. The merger was expected and recognized during Project preparation and referenced in the legal agreements, however, the Government requested that the change be formally incorporated into the Project institutional and implementation arrangements.

7. ***Inclusion of the Southern Link Road.*** In addition to the above, the restructuring also incorporated "civil works including associated road-user and administrative infrastructure for the Southern Link Road" into the budget for Component I. Considering the exchange rate gains after the Pakistani Rupee depreciated against the US Dollar in 2019, the Government proposed to the Bank that rather than reducing the loan amount, it would include the Southern Link Road (SLR), which had been considered during preparation in 2017 but not included due to an insufficient financing envelope. The SLR, for which the Government had already set aside a budgetary allocation in 2018 to start the feasibility and design process, would connect National Highways N-5 and N-55 to the proposed Peshawar-Torkham Expressway (PTEX) and help to divert heavy goods traffic coming from Karachi and other parts of the country away from Peshawar city, reduce severe traffic congestion, and improve air quality.

¹ Planning Commission Proforma 1 is a Government of Pakistan document, equivalent to the World Bank Project Appraisal Document (PAD).

8. As of July 16, 2024, the Project has disbursed US\$2.82 million (0.66 percent of the Credit). The Closing Date is May 28, 2026.

9. **Project Components.** The restructured Project has two components:

- **Component I: Expressway Development** (US\$429.57 million of which US\$385.60 million from the IDA Credit). The Project will finance the detailed design, construction and supervision of the proposed four-lane PTEX and SLR, and associated road-user and administrative infrastructure facilities, the laying of fiber optic cables in trenches along the PTEX and SLR, and technical and independent reviews and studies for the preparation of new projects. The PTEX and SLR will reduce transit time and costs for regional and international trade transiting the Khyber Pass and will extend the Karachi–Lahore–Islamabad–Peshawar Trans-Pakistan Expressway System and form an integral part of the planned Peshawar–Kabul–Dushanbe Motorway.

The PTEX will be an access-controlled, dual carriageway expressway with a much-improved geometry compared to the existing N-5 from Peshawar to Torkham. It will feature a 7.3-meter-wide carriageway on each side with 3.0-meter-wide shoulders. Since the Project location is prone to geophysical and climate hazards such as seismic activity, landslides and flash floods, the design and implementation will incorporate technical parameters to increase the expressway’s adaptation to these risks. The design will be subject to road safety audits to identify opportunities for improving road safety.

The SLR will be an access-controlled, dual carriageway expressway connecting the existing N-5 and N-55 to the proposed PTEX. The carriageways on each side will be 7.3 meters wide, with 3.0-meter shoulders. The design will be subject to road safety audits to identify opportunities for improving road safety. ***It is the SLR that is the focus of the Request.*** See Map 1.

- **Component II: Development of the Khyber Pass Economic Corridor** (US\$77.23 million, of which US\$75 million is the IDA Credit). Component II will, in conjunction with other initiatives, maximize the benefits of the PTEX for Western Greater Peshawar (WGP) by alleviating key constraints to the integration of private sector actors in the Khyber agency into global value chains. Component II will have two main sub-components:²
 - **Subcomponent 1 – Technical assistance (US\$7.0 million)** consisting of four distinct activities:

² The Khyber district was one of the seven political agencies (former tribal areas; now known as merged districts) that comprised the former Federally Administered Tribal Areas (FATA), which was merged with KP Province in 2018 through a Constitutional Amendment. The majority of the PTEX runs through the Khyber district, with a few kilometers passing through the Peshawar district. Component II focuses on the former tribal districts specifically, where the needs are the greatest and where initiatives are relatively limited.

- The first activity will develop a Spatial Master Plan for Western Greater Peshawar (SMP-WGP). The SMP-WGP will extend the interim Geo-Referenced Local Master Plan (GeoLoMaP), which mapped existing and planned infrastructure and identified constraints impeding firm productivity and private sector investment.³
 - The second activity includes feasibility studies and engineering designs for priorities identified by the GeoLoMaP.⁴ These priorities include: (i) an integrated logistics hub and industrial/commercial infrastructure to support small and medium enterprise development in viable locations in WGP; (ii) branch roads connecting the PTEX to local and national road networks; (iii) parking terminals upstream from Torkham to complement Asian Development Bank investments and support implementation of the International Road Transportation (transit) Convention (TIR) to reduce waiting time at the border; (iv) development of the urban centers of Jamrud and Landi Kotal;⁵ and (v) an international bus terminal to service buses traveling between Afghanistan and Pakistan.
 - The third activity includes activities to: document, preserve, and promote the cultural heritage of the Khyber Pass and to develop mechanisms to leverage this cultural heritage for economic development; identify sites of cultural and historical significance; and develop and promote sites and products of special cultural and/or historical interest.
 - The fourth activity is an impact evaluation to assess the effects of Component II of the Project on the welfare of the local population.
- ***Sub-component 2: Infrastructure investments and institutional improvements (US\$68 million) to promote the integration of local producers into global value chains.*** Subject to the results of the SMP-WGP and feasibility studies, the second sub-component will finance infrastructure and other investments across WGP, including: (i) local road infrastructure and urban development, including the provision of rest areas with special facilities for women along the PTEX and SLR and connecting roads; (ii) sites of special cultural, historical, and tourist value; (iii) traffic management mechanisms for the N-5 (existing Peshawar-Torkham road); (iv) development of an integrated logistics hub and industrial/commercial infrastructure in viable locations in WGP (in partnership with private sector actors, when appropriate); (v) construction and/or upgrading of roads to ensure connectivity between the PTEX, urban centers in WGP, and Aza Khail Dry Port, etc.; and (vi) an

³ The GeoLoMap also mapped existing and planned hard infrastructure in WGP; identified other initiatives to address the identified constraints; and facilitated the prioritization of future investments by the FATA Secretariat, FATA Development Authority, Government of KP, and other key stakeholders.

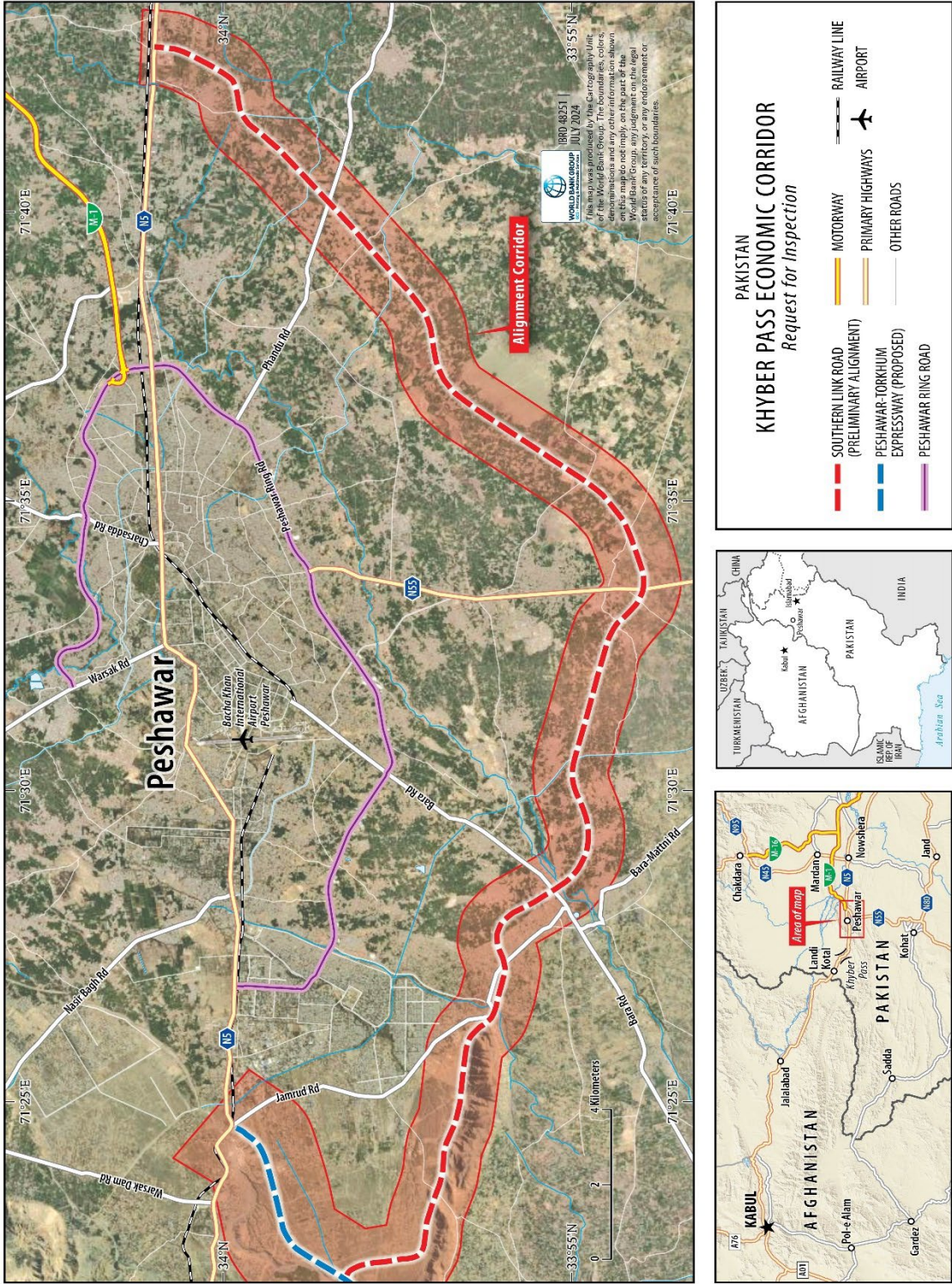
⁴ These are to be undertaken concurrently with the preparation of the SMP-WGP.

⁵ This will build on preparation work completed by the Bank's FATA Urban Centers Project (P125414).

international bus terminal to connect bus services to/from Afghanistan, the Peshawar Bus Rapid Transit system, and domestic bus services.

Activities expected to be financed by Component II will provide regional benefits, address drivers of fragility, and benefit women. Such activities will ease infrastructural and regulatory constraints to the development of cross-border value chains, by linking PTEX – and, by extension, Afghanistan – to both local communities and the broader Pakistan transport network, including the Indus Highway. These activities are further expected to mobilize financing for development, by improving the business environment and infrastructure and by leveraging private sector financing for the development of economic zones following a transparent, inclusive and competitive public-private partnership process. The component is expected to address drivers of fragility by stimulating employment and livelihood opportunities through the promotion of private sector development in the Khyber district.⁶ Financing of economic clusters aims to address various obstacles to women’s employment in these clusters, including gender-sensitive transportation, workplace infrastructure such as separate rest and prayer rooms, toilet facilities and childcare centers, and a harassment-free workplace.

⁶ As identified by the Pakistan Post-Crisis Needs Assessment 2010, such drivers include high unemployment rates among young men, inadequate livelihoods, and absence of sufficient employment opportunities.



Map 1: Southern Link Road (alignment corridor and preliminary alignment)

IV. SPECIAL ISSUES

Design-Build Contracts

10. *The Project is being undertaken using a Design-Build modality, whereby the bidder will also propose the technical design, including refinements to the alignment. This contract modality is relevant to the Request because its characteristics explain why the final alignment for the SLR has not yet been determined and may be subject to refinements once a bidder has been selected and the final Design-Build contract issued. What the Project authorities have determined so far is a preliminary alignment of the SLR corridor.*

11. Design-Build contracts are increasingly being used for large projects by road agencies. They offer advantages in the form of savings in time and cost overruns, as the selected contractor is liable to complete a project within a fixed budget and time. This type of contracting modality also provides the employer the option to select the optimum design, out of the many proposed.

12. The main differences between an Item Rate contract and a Design-Build contract are:

- In a standard Item Rate contract, the employer enters into a contract with a contractor, who agrees to carry out work at-site, based on the design, drawings and quantities provided by the employer, and based on actual measurement of work at-site. In this type of contract, the employer engages a design consultant, whose main role is to go to the field, mark the exact alignment, carry out topographic surveys and soil investigations and prepare a design and bid documents, including a bill of quantities, which prospective bidders fill to offer a priced bid. The lowest compliant bidder wins the bid. In such a contract, the employer is liable for the design. Moreover, the quantities of items are estimated, while the contractor is paid based on actual measurements of works carried out at site. For example, the bill of quantities may estimate a 100 m³ (cubic meter) excavation of earth, but the actual excavation quantity at-site may turn out to be 120 m³, hence the contractor is entitled to be paid for the 120 m³.
- A Design-Build contract is a single contract between an employer and a contractor, where the design and construction of a project is handed over to the contractor. In this kind of contract, the invited bidders propose a design conforming to the employer's requirements, out of which the most advantageous proposal (based on rated criteria, where separate weightages are given to technical and financial aspects) is selected. The selected contractor is liable for the design, and works are paid based on a fixed price, regardless of the quantities of work executed at-site. For example, the contractor had proposed PKR 100 for the excavation of 10 m³ of earth, but in actuality the contractor excavated 20 m³. Despite this, the contractor will still only be paid PKR 100 as per the bid (no change in price).

13. Further characteristics of a Design-Build contract:

- For larger contracts, bidders are initially selected (pre-qualified).
- The employer prepares the requirements, a document that sets out the criteria (geometric, pavement, structure design requirements, standards, environmental and social requirements, etc.) This document forms an integral part of the Request for Proposal (RFP) that is issued to the initially selected bidders. The RFP also specifies the evaluation criteria, along with the weighting for the technical and financial proposals.
- The employer prepares the Environmental and Social Impact Assessment (ESIA), resettlement plan and other safeguard documents based on the preliminary design and alignment provided in the RFP.

14. In the case of road projects, depending on the circumstances, the employer can provide either a fixed alignment or a corridor.⁷ For example, in hilly or mountainous terrain where different engineering solutions, such as tunnels, bridges, etc., can be proposed for connecting two points, the employer may opt to provide a corridor, which may result in proposals that include multiple design/engineering solutions, from which the most advantageous can be selected. Alternatively, in a flat terrain with few constraints or hindrances, where variations in design would be limited, the employer may simply opt to provide a fixed alignment to the bidders.

15. With corridors, bidders have flexibility in terms of the centerline of the road, as long as it remains within the criteria given in the RFP. The bidders propose a design (based on their own site investigations, surveys, etc.) and construction cost for the project, with sufficient detail to allow the employer to make an evaluation. The proposal with the highest combined technical and financial score is awarded the contract. It is at this point that the bidder's proposed alignment is also approved – which now becomes the final alignment. The Right-of-Way (ROW) is also established at this stage.

16. After contract award and fulfilment of other formalities, the selected contractor starts detailed field investigations and preparation of detailed designs. These designs are reviewed by the employer (through its own design review consultants); after approval, the contractor can commence work.

17. In parallel, once the alignment (the now final alignment) has been approved, while the contractor is preparing detailed designs, the employer begins the actual land acquisition process. In the case of a Bank-financed project, this includes updating the resettlement plan and other safeguard documents, paying the required compensation, and obtaining a Letter of No Objection from the World Bank to proceed towards possession of the land. As per the norm in road construction contracts, sections of the alignment are handed over to the contractor as and when land acquisition formalities are completed.

⁷ For the SLR, the employer (NHA) has provided a 2-km corridor, allowing bidders to suggest an alignment staying within the corridor.

18. In accordance with Bank policy and the laws in Pakistan, no land acquisition may take effect until the final alignment has been approved, the ESIA and draft Resettlement Action Plan (RAP) have been updated and re-disclosed, and compensation payments made. The ROW, once established, will be 100 meters wide.

19. ***The Notifications issued to some landowners for the Project in the ROW of the preliminary alignment (under LAA Section 4 and KP Amendment, 2020) are preliminary notifications.*** They are issued when the Government determines that land in a locality is needed or is likely to be needed for any public purpose. These Notifications do not affect the right to use the land. Routine agricultural activities, cultivation, and normal usage by the occupants can continue. Government officials may not enter private properties without the consent of the occupant. If damages to the property are incurred during that stage, LAA Section 5 provides for compensation.⁸

20. ***The Requesters expressed a concern that land that may be acquired by the Government for the SLR may eventually not be needed for the Project. However, the process to apply the Land Acquisition Act 1894 (LAA) has several stages and can be stopped and revoked for land that is eventually not needed.*** Once the alignment is finalized and approved by Project authorities, the revised RAP will cover compensation for affected land parcels, while land not needed for the Project would be released.

21. ***Based on the final alignment of the SLR, acquired land will be compensated for in accordance with Bank policy requirements.*** Any land for which a preliminary Section 4 Notification was issued but which is no longer needed for the SLR would be released to the owner when the government terminates the process without acquiring the land.

⁸ [THE LAND ACQUISITION ACT 1894.pdf \(kp.gov.pk\)](#)

V. MANAGEMENT'S RESPONSE

22. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

23. ***Management has carefully reviewed the concerns raised in the Request and believes that they have been appropriately and adequately addressed through Project design and the corresponding mitigation measures.*** Implementation of the SLR under Component I is still at an early stage; no construction has started. The Bank has been working closely with the NHA, as part of Bank oversight, to support the NHA in meeting the requirements of the applicable Bank policies during implementation. The Bank will also work with the NHA to continue and further intensify the dialogue with stakeholders, as well as actively reaching out to Project-affected community members. The NHA is required to mitigate any remaining or emerging concerns about the Project in accordance with Bank policy, and this will be diligently supervised by the Project supervision consultants and the Bank.

24. ***In Management's assessment, the Request does not demonstrate direct adverse impacts caused by or likely due to any failure of the Bank to implement its policies and procedures.*** Management is of the view that the Request is premature since no works have started and no impacts have materialized to date. There is no indication that the existing mitigation measures prepared in anticipation of the Project in accordance with Bank policy are insufficient to address any potential future impacts. Management is satisfied that the Project environmental and social safeguard mitigation measures are adequate to prevent the kind of adverse impacts anticipated by the Requesters.

25. ***Management recognizes that the placement of crucial road and transportation infrastructure that enhances connectivity can have adverse impacts on local communities. Since 2020, alternative options for the SLR alignment have been considered. The current preliminary alignment has been designed to avoid adverse impacts where feasible, or to minimize them.*** Management notes that some of the concerns raised might be based on outdated information, as the preliminary alignment has since been revised specifically to reduce the number of affected parties and mitigate the Project's impacts. Some of the concerns raised in the Request stem from the preliminary road alignment which – given the nature of the Design-Build contract for the Project – may be substantially revised upon contractor selection in September 2024. The final alignment will be disclosed and presented for consultations with stakeholders. The Requesters also seem to be flagging concerns and allegations of non-compliance that could be based on their experiences with other projects in the area, and that are not related to this Project or supported by the Bank. The Bank will work with the Borrower to help ensure that updated information about the Project design and potential impacts, as well as benefits for local communities, is made accessible to all interested stakeholders.

26. ***The Project is still at very early stages of implementation: less than one percent of the loan is disbursed, the contractor is yet to be hired, the bidding process for the SLR is still ongoing, and no land acquisition or physical works have started to date. Management considers that Project activities to date meet the requirements of the***

relevant Bank policies and procedures. The potential risks and impacts raised in the Request have been identified and analyzed in the Project design and safeguard documents, which set out mitigation measures to respond to environmental and social impacts during the design, construction, and operational phases of the Project. The ESIA, and the mitigation measures contained therein, have been prepared in accordance with Bank policy requirements. As explained above (Section IV), the bidding process for the contractor is still underway. Once a contractor has been selected, the alignment of the road corridor will be reviewed and finalized. After the alignment is finalized, the NHA is required to update the ESIA and draft RAP and submit them to the Bank. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed. The NHA will not be able to start any land acquisition until the Bank issues its Letter of No Objection. By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on Project-affected persons (PAPs).

Specific Issues Raised in the Request

Land Acquisition and Resettlement

27. **Road alignment.** Operational Policy (OP) 4.12 requires involuntary resettlement to be avoided where feasible, or minimized, by exploring all viable alternative project designs. Following the Design-Build modality for the SLR, bidders either endorse the preliminary alignment or introduce refinements/adjustments to it in their bid, staying within a 2-km corridor.

28. The draft RAP and Livelihoods Restoration Plan (LRP) are based on the preliminary SLR alignment. If the selected bidder has proposed alignment modifications and is awarded the contract, then the updated, finalized and approved alignment replaces the preliminary alignment. Once the contract has been awarded, the bidder has three months to prepare detailed designs and drawings to inform construction. The Bank will continue to work with NHA to ensure that the modified alignment avoids or minimizes involuntary resettlement. Based on the modified alignment agreed between the Bank and the NHA, the NHA then undertakes stakeholder consultations and makes the necessary updates to the RAP (and ESIA) to reflect the bidder's design modifications and feedback from consultations. The exact land parcels, livelihoods, and assets affected by the final alignment and the SLR ROW will be reflected in the updated RAP.

29. **Compensation. No land acquisition has occurred to date and hence no compensation for land has been determined or offered.** The Requesters' concern about insufficient compensation appears to be based on reports or experiences with previous land acquisitions unrelated to the Project or the Bank.⁹ The Bank requires that the Project follow Bank policy, specifically OP 4.12 on Involuntary Resettlement, as well as

⁹ The Request specifically refers to the construction of the *Sui Northern Gas Pipeline Limited*, which is not supported by the Bank, nor is it linked in any way to the Project.

Pakistan's LAA 1894 and its successive amendments.¹⁰ The Bank is aware of the differences between LAA 1894 and OP 4.12. The draft RAP provides a comparison of the two and includes measures to reconcile the inconsistencies between the LAA 1894 and its KP Amendment, and OP 4.12.

30. OP 4.12 on Involuntary Resettlement requires payment of compensation at **replacement cost** prior to taking possession of the land or asset in question. For purposes of the Project, replacement cost is deemed to be market price plus a 15 percent "Compulsory Acquisition Surcharge," without accounting for depreciation. The draft RAP includes an Implementation Schedule so that payments are made in a timely manner, and construction is organized in sync with the compensation schedule. An External Monitoring Agent (EMA) will verify replacement cost price and the payment of compensation to all entitled PAPs before the Bank provides its Letter of No Objection allowing construction to commence.

31. ***To date no land has been acquired for the Project and the RAP is being finalized.*** The Government has only issued Notifications under Section 4 of the LAA (see Section IV above) indicating the Government's intention to potentially acquire the land. If land is eventually not needed, the Government would withdraw from acquiring land under this process. If that happens, compensation for physical damage, if any, suffered during the land survey process will be provided.

32. ***Livelihood related concerns.*** The draft RAP provides for livelihood restoration, regardless of land ownership. It includes a vulnerability allowance for those earning less than the official poverty line and a severely impacted persons allowance for those losing more than 20 percent of their productive assets. This is in addition to requiring replacement cost payments for land and assets lost. The LRP is still in preparation and will provide income-generation activities and support especially to vulnerable¹¹ PAPs, including those owning less than two acres of land and those relying on subsistence farming or in tenancy arrangements, to meet their food security needs. The LRP will focus on vocational training and job placement, small business development opportunities through micro-finance and market access, and other livelihood restoration strategies tailored to the affected and eligible PAPs. It is anticipated that these measures will enable the affected households to maintain or improve their existing standard of living, as required under OP 4.12.

33. ***Graveyards.*** Under the preliminary SLR alignment, no graveyards would be affected. However, if in the future, any graves are found within the ROW due to adjustments to the alignment, they will be carefully moved with the consent of the families of the deceased and the local religious leaders to a location selected by them. Transparent

¹⁰ Including KP Amendment 11-C, which recognizes communally- and tribally-owned land and puts in place procedures for land acquisition and compensation for the merged districts where land settlement has not been done by the Government, which is the case in the Khyber district.

¹¹ "Vulnerable" is defined in the RAP as, "Distinct people who might face the risk of marginalization and suffer disproportionately from resettlement [impacts], including the women, children, destitute persons, squatters; those with historical or cultural usufruct rights; and landless groups. Generally, the people who are below inflation adjusted current Official Poverty Line (OPL) or earning below the officially declared minimum wage for the current fiscal year by the KP Government are considered as the Vulnerable People."

communication with all relevant parties, including families and community members, will be ensured. Any potential relocation of graves will adhere to applicable religious customs and laws, and the NHA would cover all relocation costs.

34. **Land Disputes.** In accordance with the SLR RAP, the Project will compensate both owners and users of land acquired for the Project. The RAP also includes other categories of persons interested in and affected by land acquisition, in addition to those absentee landowners and users mentioned by the Requesters. Thus, in Management's view, the potential for conflict, armed or otherwise, between landowners and land users – as raised in the Request – in this regard has been significantly reduced through this mitigation measure. All types of PAPs will be compensated directly and individually in accordance with the particular entitlements accruing to them. The compensation formula for each category of PAPs and interested persons is calculated pursuant to the provisions under OP 4.12 and LAA 1894. A census covering the potentially affected persons was conducted to determine eligibility and an inventory of losses and entitlement matrix has been prepared using the information gathered through the census. The matrix covers (i) those with legal title to the land; (ii) those who have formal legal rights to land, including customary and traditional rights; (iii) those who do not have formal legal rights to the land at the time of the census but have a claim to such land or assets that are recognized under law, such as user rights; and (iv) those who do not have recognizable legal right or claim to the land they are occupying. The draft RAP requires that compensation payments be made directly to all those eligible. A compensation formula is provided for each category.

35. Based on the due diligence conducted, the situation described in the Request is therefore not anticipated to arise. It is also not anticipated that further engagement or agreement between interested persons (including landowners and land users) would be required to implement the compensation, thereby reducing the potential for conflict.

36. The Project grievance redress mechanism (GRM) is available to assist with resolving disagreements over ownership, in coordination with relevant Government departments, such as the Revenue Department and Civil Administration, and existing community dispute resolution mechanisms (for example, jirgas). In March 2024, the Government of KP also established a committee to ensure smooth implementation of the land acquisition process, to coordinate with relevant government agencies and other stakeholders, and to ensure that the process complies with relevant laws, regulations and policies.

37. **Potential Conflicts/Risk of Violence. The incident described in the Request could not be confirmed by Project authorities.** The only incident that could be confirmed was an argument between community members and Project consultants in 2023, following which the consultations had to be adjourned. However, this was not related to the SLR. Rather, it pertained to consultations for the study that provides the analytical underpinning for economic development along the corridor.

38. **Security Management Plan.** The ESIA¹² contains a Security Management Plan which will be updated when the ESIA is revised. The Plan entails mitigation measures to be undertaken by the Project in the event of any security risks, including armed conflict.

¹² [Annexure IV of the ESIA, Volume 2](#)

The Bank has shared samples of security management plans and the Bank's Good Practice Note (GPN) on Security Personnel with the NHA. The NHA will prepare an updated Plan, which will need to be approved by the Bank before the deployment of the contractor.

39. **Court Cases.** As per the information provided by the NHA, two cases in which the NHA was named as respondent were filed in civil court seeking an injunction to stop the Project. In the first case, the petitioner requested a temporary injunction, which was granted. This interim relief was later withdrawn and the case was dismissed, following the NHA's submission to the court that the SLR alignment had not been finalized.¹³ The second case, very similar to the first, is currently being heard.¹⁴ Per the information provided by the NHA, ***no injunction has been issued by the court to date to stop any work.*** Relevant court documents have been provided by the NHA for the Bank's information.

40. **Consultations.** Consultations with the affected communities for the SLR were undertaken during August-September 2022 and again in May 2023, and are continuing. Thus far, 747 individual PAPs (male and female) have attended community-level consultations. Twelve consultations were held with Project-affected men and eight with women, in their villages, in accordance with local cultural requirements. There have been challenges in consulting directly with elected officials due to factors beyond the Project's control. Local government elections had been held in March 2022, but due to political turmoil a number of elected representatives of local government were not functional. There were no provincial elected representatives until country-wide elections were held in February 2024 and representatives were sworn in in March 2024. It is, however, likely that elected representatives participated in the consultations as community members, and they will be invited to all future public consultations. The Borrower has been advised to intensify consultations and to hold at least two community-level consultations (male and female) along the ROW of the preliminary alignment on a weekly basis, as the Project moves towards finalization of the alignment, and thereafter towards compensation payments and implementation.

Environmental impacts

41. **Environmental impacts.** Pursuant to Bank policy, and consistent with the requirements of the KP Environmental Protection Agency (KP-EPA), an ESIA was prepared by an independent international firm. The ESIA was consulted upon, and publicly disclosed in January 2024. The ESIA is specific to the preliminary SLR alignment and is based on field visits, surveys, baseline environmental and social conditions, and wider stakeholder consultations to identify the Project's potential environmental and social risks and impacts.

42. The ESIA includes an Environmental and Social Management Plan (ESMP) that follows the mitigation hierarchy and contains technical mitigation measures that correspond to each stage of the SLR. Contractors also will be required to revise and update

¹³ Court Order of Shabeena Noor - Civil Judge VIII, Peshawar, on Suit No. 75/6 and 88/1 of May 22, 2024, Hidayatullah Khan vs. National Highway Authority.

¹⁴ Civil Suit, Hilal Ahmad vs. National Highway Authority.

site-specific documents, including ESMPs, as needed. ESIA mitigation measures and plans cover air, noise, waste, health & safety, traffic safety, camp site, construction site and emergency response. Institutional arrangements, human resource requirements, detailed environmental budgeting and cost estimations will be covered under site-specific ESMPs once the alignment is finalized. The ESIA also assessed the Project impacts on flora, as trees are part of a vital ecosystem that performs a variety of functions for the improvement of the environment. Detailed measures are included for tree planting.

43. **Noise.** The ESIA covers noise pollution for human and fauna receptors. Noise levels during the construction phase are expected to have a medium impact due to operation of construction equipment and movement of construction traffic. Noise levels during the operational phase also are expected to have a medium impact and will be further mitigated as described below. There is no evidence to suggest that the noise levels would be at “extreme levels” as the Request suggests.

44. Mitigation measures for noise and vibration are detailed in the ESIA and will be implemented as part of a Noise and Vibration Management Plan. Measures include, among others, installation of noise barriers such as retaining walls, prohibition on use of horns except in emergencies, use of mufflers and silencers to reduce construction noise, restriction on movement of heavy transport vehicles, and creation of silent zones and green belts.

45. **Privacy concerns.** The ESIA includes specific measures to be undertaken in implementation of site-specific ESMPs and the Construction Environmental and Social Action Plan (CESAP), so as to preserve the privacy of affected households. Technical design and mitigation measures, such as visual barriers comprising hedges, trees and fencing, will protect the privacy of households. Additional measures will be provided as needed to screen houses and courtyards in closer proximity to the alignment.

46. **Most of the land to be acquired for the SLR is agricultural. It is therefore anticipated that the exposure of households located in the vicinity of the SLR will be minimal.** The ROW is 100 meters wide. The width of the ROW is measured from the centerline of the road. Given that the SLR will traverse predominantly agricultural lands, any private and commercial structures will be situated at a minimum distance of 50 meters from either side of the centerline of the road, and approximately 39 meters from a vehicle pulled over on the shoulder. The current design of the SLR suggests that it will be located at a distance that prevents visual exposure of households. The average height of the embankment is expected to be no more than 2 to 3 meters along most of the SLR preliminary alignment. The highest points will be over underpasses and this is not expected to be more than 5 meters (16 feet).

47. **The NHA team includes a Gender Specialist as part of the Project Implementation Unit and the consultant team responsible for the ESIA and RAP also includes a Gender Specialist, thereby ensuring women’s concerns are prioritized and responded to in Project documents.** The Project GRM is available to women to register all types of grievances they may have related to the Project. This includes grievances related to privacy concerns during the construction and operational phases. The gender-responsiveness of the GRM will enable the Project to improve or upgrade mitigation

measures, where necessary. A Gender-based Violence (GBV)/Sexual Exploitation and Abuse (SEA) Consultant is being hired to minimize the risk of GBV/SEA due to labor influx and undertake appropriate mitigation measures. Women PAPs' committees will also be formed in every affected village after the alignment is finalized, to enable timely feedback and inclusion of women PAPs' concerns in Project implementation.

Risk of Retaliation

48. The Bank is not aware of any specific incidents of reprisals carried out by entities involved in Project implementation. The Bank, however, has emphasized preemptively to the Government the absolute necessity of protecting complainants and villagers who disagree with the Project from any form of threat, intimidation, or reprisal. The World Bank does not tolerate reprisals and retaliation against those who share their views about Bank-financed projects. Any form of intimidation against people who comment on Bank projects, research, activities and their impact, goes against the Bank's core values of respecting the people it works for and acting with utmost integrity, as noted in the Bank's public [statement against reprisals](#).

Risk that the Project could be terminated

49. ***Management does not believe that the Project is likely to be abandoned during implementation, despite the concern raised by the Requesters. The federal and provincial governments have both consistently demonstrated strong commitment to the Project, which has a high national priority. Regarding the geopolitical tensions mentioned, Management asserts that these are unlikely to prematurely terminate the Project, as claimed in the Request.*** Hostile encounters between the security forces of Afghanistan and Pakistan have occurred intermittently, but they have not halted trade or transit between the two countries. Even at the height of extreme militancy over the past two decades, 4,000 to 5,000 trucks have used the main border crossing at the Torkham border post daily. Currently, the Government, with support from the Asian Development Bank, is completing a modern border terminal at Torkham. The Project aims to contribute to social sustainability through increased trade and connectivity, which over time may help reduce potential for conflict by generating common interests. Even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national land acquisition law and Bank policy.

Conclusion

50. ***Management believes that the Bank has correctly applied its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor are they likely to be, directly or adversely affected by the alleged failure of the Bank to implement its policies and procedures.***

**Annex 1
Claims and Responses**

No.	Claim	Response
1	<p><i>Displacement, Loss of Livelihood.</i> As a community we express our strongest reservation regarding the South Link Road project, which is going to result in mass displacement, loss of livelihood. As discussed via the video conference 90% of those affected own less than 2 acres of agricultural which ensures their food security at a bare minimum level and on losing their meagre source of income and houses a question mark can be raised on the future of their coming generations.</p>	<p><i>No land has been acquired, nor has any construction started on the SLR to date. The draft RAP, which includes an LRP, is currently under review by the Bank. The number of potentially displaced people is estimated at present to be 2,520.</i></p> <p>The bidding process for the SLR contractor is still underway. Bids from seven pre-selected bidders were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024.</p> <p>In accordance with OP 4.12, no land will be acquired until full compensation is paid. The RAP, including the LRP, has been drafted, and the draft is under review by the Bank.</p> <p>OP 4.12 requires involuntary resettlement to be avoided where feasible, or minimized, by exploring all viable alternative project designs. Following the Design-Build modality for the SLR, bidders either endorse the preliminary alignment or introduce refinements/adjustments to it in their bid submissions. Any refinements/ adjustments to the preliminary alignment must be limited to specific parameters, including staying within a 2-km corridor.</p> <p>The draft RAP and LRP are based on the preliminary SLR alignment. If the bidder selected has proposed any refinements/ adjustments that result in modifications to the preliminary alignment, then those modifications will take the place of the preliminary alignment. If the bidder selected endorses the preliminary alignment, then no modifications to the preliminary alignment will take effect.</p> <p>Once the contract has been awarded, the bidder has three months to prepare detailed designs and drawings to inform construction. It is at this point that the Bank will work with the NHA to assess the modified alignment before it is approved by Project authorities and finalized.</p> <p>On the basis of the modified alignment agreed between the Bank and the NHA, the NHA is required to update the ESIA and draft RAP and submit them to the Bank. The ESIA and draft RAP must then be consulted upon and redisclosed, in local language.</p> <p>By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on PAPs. The exact land parcels, livelihoods and assets affected by the final alignment and the SLR ROW will be reflected in the updated RAP. An EMA will verify that the compensation rates</p>

No.	Claim	Response
		<p>set are replacement cost rates¹ (as defined in the RAP). The Bank will provide its Letter of No Objection after all compensation is verified as paid by the EMA and only after this will the land acquisition process start.</p> <p>The current numbers of affected persons displaced or calculations of livelihood losses are estimates that may potentially change subject to any alignment modifications.</p> <p>The draft RAP states that the current preliminary alignment of the SLR may potentially affect 19,643 households covering a total of 1,050 acres. The potential impacts affecting these households range from loss of assets, loss of livelihoods, and/or involuntary resettlement. This includes 252 potentially affected residential structures that could result in the displacement of 2,520 persons (average household size is estimated at 10 persons).</p> <p>Specific mitigation measures are included in the draft RAP to address the disproportionate impacts on the most vulnerable and low-income PAPs. This is captured in the RAP in the form of a vulnerability allowance for those earning less than the official poverty line. There is also a corresponding measure in the form of a severely impacted persons allowance for those losing more than 20 percent of their productive assets. This is in addition to requiring replacement cost payments for land and assets lost for all PAPs.</p> <p>In addition to the measures included in the RAP, the Borrower is required to prepare a Livelihood Restoration Plan (LRP). The LRP includes livelihood restoration measures targeting PAPs such as those described in the Request. The LRP will provide income-generation activities and support especially to vulnerable PAPs, including those owning less than two acres of land. The LRP will also include measures suited to mitigating the impacts of land acquisition on those PAPs who rely on subsistence farming or in tenancy arrangements to meet their food security needs. The LRP will focus on vocational training and job placement, small business development opportunities through micro-finance and market access, and other livelihood restoration strategies tailored to the PAPs.</p>

¹ Replacement cost is defined as: The value needed to replace an affected asset as new. In the case of land replacement, value corresponds to the market value of a plot calculated based on a survey of land sales in project areas at the time of taking, free of transaction costs. For crop replacement value, it is the market value of the crop at farm gate. For houses and structures, this is the current fair market price of building materials plus labor and transport, without depreciation or deductions for salvaged material and transaction costs. The replacement cost of trees (for wood) is their market value, while that of productive trees is the value of the yearly harvest for the number of years needed to re-grow a tree to the same productive level of the tree lost.

No.	Claim	Response
		<p>It is anticipated that these measures will mitigate the risks anticipated by the Requesters and enable the affected households to maintain or improve their existing standard of living, as required under OP 4.12.</p>
2	<p>Environmental Pollution. The most ignored aspect of this project is the issue of environmental and noise pollution. The position taken by the NHA is preposterous at best that first the trees falling within the project area along with the orchards are going to be cut and replaced with new saplings that would takes decades to mature and meanwhile the displaced population will bear the brunt of the environmental pollution waiting for the remedial measures to work and Peshawar the nearest city to the affected areas is already one of the most polluted cities in Pakistan and it would be insane to turn a purely agricultural area into a hub of pollution for apparent benefit.</p> <p>Noise Pollution. The noise pollution would have an even greater impact since most of this area is already grappling with the ever-increasing volume of noise pollution whereas this project would bring in a level of noise pollution to extreme levels both during the construction phase and the operational phase and no solution has been suggested in the project document besides dubious and unworkable solutions.</p> <p>Reports of various government department on this issue arc attached as Annexure A.</p>	<p>Management believes that the environmental impacts of the SLR are appropriately and adequately addressed through Project design and the corresponding mitigation measures in the safeguard documents prepared, consulted upon, and disclosed for the Project.</p> <p>Identification of environmental impacts and corresponding pollution prevention and abatement measures are part of any environmental and social assessment under OP/BP 4.01 (Environmental Assessment) and the World Bank Group Environmental, Health, and Safety General Guidelines (WBG EHSGs).</p> <p>Pursuant to Bank policy, and consistent with the requirements of the KP-EPA, the NHA commissioned an independent international firm to conduct an ESIA.</p> <p>The ESIA was consulted upon, and publicly disclosed in January 2024. The ESIA is specific to the preliminary SLR alignment and is based on field visits, surveys, baseline environmental and social conditions, and wider stakeholder consultations (including PAPs and different government departments – see ESIA Table 4.5) to identify the Project’s potential environmental and social risks and impacts.</p> <p><u>ESIA Volume 1</u>, Sections 8.3, 8.4 and 8.5, provide a detailed assessment of potential environmental impacts at the design phase, construction phase, and operational phase of the Project.</p> <p><u>ESIA Volume 2</u>, contains mitigation measures and plans for Air, Noise, Waste, Health & Safety, Traffic Safety, Camp site, Construction site and Emergency Response. Institutional arrangements, human resource requirements, detailed environmental budgeting and cost estimations will be covered under site-specific ESMPs once the alignment is finalized.</p> <p>Furthermore, the ESIA also assessed the Project impacts on flora, as trees are part of a vital ecosystem that performs a variety of functions for the improvement of the environment, such as reduction in air pollution, noise abatement, cooling effect, oxygen production, etc.</p> <p>The ESIA includes an ESMP and sets out mitigation options and actions incumbent on the Project Implementation Unit and the NHA. The ESMP follows the mitigation hierarchy to avoid, reduce, mitigate, or compensate for/offset adverse environmental</p>

No.	Claim	Response
		<p>impacts. The ESMP described in the ESIA contains technical mitigation measures that correspond to each stage of the SLR (See Tables 9.2, 9.3, and 9.4 of ESIA, Volume 1).</p> <p>Pursuant to Bank policy, the NHA is required to prepare and implement a process that allows for adaptive management. The purpose of the NHA's adaptive management process will be to enable it and its contractors to respond to Project changes or unforeseen circumstances. Therefore, the NHA is under a legal obligation to require contractors to prepare or revise existing site-specific documents, including ESMPs, as needed, to adapt to and respond to unforeseen circumstances. Consequently, the currently disclosed versions of the ESIA, Volumes 1 and 2, will be updated accordingly.</p> <p>Trees. The ESMP includes the requirement to prepare a Tree Plantation Plan (TPP) in the operational phase.</p> <p>The allegation in the Request that "trees falling within the project area along with the orchards are going to be cut and replaced with new saplings that would takes decades to mature" is not accurate.</p> <ul style="list-style-type: none"> (i) Afforestation activities including planting of saplings are time-bound and would be carried out twice a year during winter and summer monsoon seasons. (ii) Local species will be planted as they are better acclimatized to local conditions. (iii) Preferences for quick-growing species will be respected. (iv) Poplar, Mulberry and Robinia will be distributed to people to broaden the vegetation cover in the area of their farmlands under Farm Forestry. (v) Slope, speed of growth and area availability are some of the determining factors for selection of the most appropriate species. (vi) Both fast-growing (maturity in about five years) and slow growing (maturity in 10-15 years) trees have been identified for plantation. Some of the trees recommended in the TPP, like the hybrid Poplar (<i>Populus euramericana</i>) or Sufeda Poplar (<i>Salicaceae</i>) regularly attain maturity (height of 17 meters) in 5 years. Another recommended tree species, Eucalyptus (<i>Eucalyptus camaldulensis</i>) has an average yearly volume growth of 25 m³/ha/yr and a tendency to grow at 0.3 meters per month. For every tree cut, 10 new trees will be planted in a 10 ft by 10 ft grid. On slopes the

No.	Claim	Response
		<p>plantation grid would be 10 ft x 15 ft. <i>It is estimated that a total of 11,140 trees, including 9,420 fruit trees and 1,720 “Forest trees” of different species will be cut due to the Project. Therefore, about 111,400 new trees will be planted.</i></p> <p>(vii) During the operational phase, the emphasis of the TPP would be on managing the wellbeing of the species planted. Trees will also act as a barrier to noise and other pollutants for sensitive receptors.</p> <p>(viii) Removal of vegetation on access tracks will be minimized as much as possible and there will be restrictions on tree cutting.</p> <p>Compensation for “fruit trees” will be provided to the PAPs before the commencement of the Project. The loss of forest trees will be compensated through cash compensation to the Forest Department for the lost trees and for replantation.</p> <p><i>Pollution from noise would be controlled through natural and engineered solutions. The ESIA covers noise pollution for human and fauna receptors.</i></p> <p>The baseline for noise on the existing roads is already high. Two of three points along the alignment proposed in the ESIA indicated noise levels of 81.94 dB(A) and 68.3 dB(A), respectively, which exceeded the limit prescribed in the National Environmental Quality Standards (NEQS) of 65 dB(A).</p> <p><i>Noise levels during the construction phase</i> are anticipated to emanate from heavy machinery such as bulldozers, excavators, stabilizers, pneumatic drills, and other equipment. According to the ESIA, it is likely that there will be a medium impact associated with the increase in ambient noise levels due to operation of construction equipment and movement of construction traffic. This may create a nuisance for nearby communities and affect the health of workers. For these reasons, mitigation measures for noise and vibration are detailed in the ESIA, Volume 1, Sections 8.4.8, and 8.4.15 and will be implemented as part of a Noise and Vibration Management Plan under a CESAP to be prepared by the contractor.</p> <p>The Noise and Vibration Management Plan will include the following mitigation measures:</p> <ol style="list-style-type: none"> i. Employing good practices and arrangements to minimize noise pollution, such as earth retaining walls in sensitive and highly populated areas to minimize vibrations; ii. Installation of noise barriers for workers;

No.	Claim	Response
		<p>iii. Regular maintenance of machinery and equipment</p> <p>iv. Prohibition on use of pressure horns as well as blowing of car horns on all access roads except for emergencies;</p> <p>v. Use of muffled breakers and silenced diesel generators and compressors to reduce construction noise.</p> <p>vi. Restrictions on movement of heavy transport vehicles and movement of materials.</p> <p>vii. Use of silencers and noise-absorbing panels to cordon-off work areas with high noise levels to keep levels below NEQS limits.</p> <p>viii. Installation of green belts at interchanges, in consultation with the NHA and Forest Department.</p> <p>ix. Silent zone markings near sensitive receptors (health centers / educational institutions, etc.) for enforcement of speed limits and prohibition of horns.</p> <p>Noise pollution during the <i>operational phase</i> is also to be expected and has been assessed in Section 8.5.2 of the ESIA, Volume 1. Noise pollution is anticipated to increase due to increased traffic and vibrations from engines and tires. The noise levels during the operational phase are likely to have a medium impact, and the consequences are anticipated to be moderate.</p> <p>There is no evidence to suggest that the noise levels will be at “extreme levels” as alleged by the Requesters. According to the NEQS, the permissible noise emission limit is set at 85 dB(A) for new vehicles at a distance of 7.5 meters from the source.</p> <p>Given that neither construction nor operations have started, it is not possible to quantify the level of noise that the Requesters complain of. It is also a scientific impossibility to assess the precise sound intensity of the entire SLR. Typically, sound intensity is measured in terms of magnitude at 1 <i>pico watt per m²</i> relative to the ROW.² The SLR ROW measures 100 m (50 m on either side) and may not include the same flow of traffic at each point along its full length. While the level of noise pollution can be objectively measured, and must remain below the permissible noise emission limits, it is difficult to estimate what would subjectively constitute an extreme level of noise.</p>

² The intensity of a sound is the power of the sound in watts or pico watts – one million millionth (10^{12}) of a watt – divided by the area the sound covers in square meters. The loudness of a sound relates the intensity of any given sound to the intensity at the threshold of hearing. It is measured in decibels (dB). For every 10 dB increase in intensity level, the sound intensity will increase by a factor of 10. For example: 60 dB are equivalent to 1×10^{-6} watt/m²; 70 dB = 1×10^{-5} watt/m²; and 80 dB = 1×10^{-4} watt/m².

No.	Claim	Response
		<p>These scientific limitations notwithstanding, detailed mitigation measures have been proposed for each anticipated impact, including noise abatement along the full length of the SLR.</p> <p>In addition to the environmental and noise pollution measures described above, avoiding and minimizing air pollution is a key priority. Some of the mitigation measures in the ESMP and CESAP include the following:</p> <ul style="list-style-type: none"> • setting up a system, in consultation with the KP-EPA, to monitor air quality along the alignment, in accordance with NEQS and WBG EHSs; • implementing the TPP to reduce pollution as well as contribute to visual aesthetics along the road; • regular road maintenance to ensure good surface condition; • regular vehicle checks to control/ensure compliance with NEQS; • enforcement of traffic rules and penalties for violators. <p>The ESIA also includes “Environmental & Social Codes of Practice (ESCPs),” which are prepared based on the WBG General EHSs and experience from other projects in Pakistan. Among others, there are ESCPs related to “Air Quality Management (ESCP-10)” and “Noise and Vibration Management (ESCP 11).” In addition, the ESIA includes an Environmental and Social Management and Monitoring Plan to define the implementation mechanisms for the mitigation measures for both construction and operation phases.</p> <p>The ESIA requirements, ESMPs and ESCPs are included in contractor bidding documents to ensure their implementation and mitigation of construction-related impacts.</p> <p>The employer’s requirements, as part of the bid, very clearly state what is required from the selected Design-Build contractor. In relation to trees and pollution abatement, this includes, but is not limited to:</p> <ul style="list-style-type: none"> • horticulture, greening & landscaping design, EMP and environmental protection design. • drawings related to environmental mitigation measures. <p>The document also requires from the selected contractor that: “Well organized sustainable horticulture and landscaping shall be done at Interchanges, Toll Plazas, and Service Areas. Trees shall be planted of native species all along the Alignment.</p>

No.	Claim	Response
		<p>Sprigging (Grassing) shall be provided on the embankment slopes and shall be properly maintained.”</p> <p>The technical evaluation gives a 10 percent weightage score to the inclusion of environment, resettlement, social and landscaping designs.</p>
3	<p>Traditional Values. Besides the issue of loss of livelihood and houses another serious concern over the destruction of their traditional values and culture. As the WB can realize that the whole stretch of land identified to taken over for the project comprises thousands of houses in the vicinity of this elevated highway and houses within range of 50 meters shall be exposed to vehicular traffic day and night and how do they protect their privacy raises a big question mark on the whole project. The women folk cannot be expected to hide their faces within the confines of their own homes. It is also added that the average height of the boundary walls in this area is around 11 feet so how can they maintain their purdah with the height of the road at 22 feet and additionally the height of the vehicles plying the road would raise the total height to around 30 feet severely affecting the ability of the women folk to perform their daily chores fully exposed to unknown individual like the truck and bus drivers plying the proposed route.</p>	<p><i>The Project provides for appropriate mitigation measures to protect the privacy of affected households, specifically that of women. Visual barriers will be put in place to protect the privacy of those houses that are in closer proximity to the road alignment.</i></p> <p>The Bank is aware that <i>purdah</i> (veiling) is practiced by many women in KP, especially in public spaces or in the presence of men who are not family members. The ESIA includes specific socio-economic information on women PAPs. It proposes measures to be undertaken in implementation of the site-specific ESMPs and the CESAP, so as to preserve the privacy of affected households.</p> <p>Most of the land to be acquired for the SLR is agricultural, hence it is anticipated that the exposure of households located in the vicinity of the SLR will be minimal. Residential land and structures have been avoided to the extent possible and will continue to be avoided under any modifications to the alignment proposed by the selected contractor.</p> <p>The contention that the road height will be 22 feet (about 7 meters) is not correct. While minimum technical standards for the embankment height of a motorway have to be met to allow for underpasses and livestock passages, the average height of the embankment is expected to be no more than 2 to 3 meters along most of the SLR preliminary alignment. The highest points will be over underpasses and this is not expected to be more than 5 meters (16 feet). The final embankment heights will be proposed by the contractor as part of the Design-Build modality and will conform to the minimum geometric/technical requirements as given in the bid documents.</p> <p>Technical design and mitigation measures, such as visual barriers comprising hedges, trees and fencing, will protect the privacy of households. Additional measures will be provided as needed (as identified in the revised ESMP and RAP) to protect houses closer to the alignment.</p> <p>The current design of the SLR suggests that it will be located at a distance that prevents visual exposure of households. The ROW is 100 meters wide, meaning private and commercial structures will be situated at a minimum distance of 50 meters from the centerline of the road (or about 39 meters from a</p>

No.	Claim	Response
		<p>vehicle pulled over on the shoulder). The placement of visual barriers at strategic locations, e.g., the use of metal screens, trees and other natural screening fences, will obscure the direct view of houses/yards. Given that stopping of vehicles on the shoulders of motorways and expressways is explicitly prohibited, the chances of exposure to persons in parked vehicles is low.</p> <p>The NHA team includes a Gender Specialist as part of the Project Implementation Unit and the consultant team responsible for the ESIA and RAP also includes a Gender Specialist, thereby ensuring women’s concerns are prioritized and responded to in Project documents. The Project GRM is available to women to register all types of grievances they may have related to the Project. This includes grievances related to privacy concerns during the construction and operational phases. The gender-responsiveness of the GRM will enable the Project to improve or upgrade mitigation measures, where necessary. A Gender-based Violence (GBV)/Sexual Exploitation and Abuse (SEA) Consultant is being hired to minimize the risk of GBV/SEA due to labor influx and undertake appropriate mitigation measures. Women PAPs’ committees will also be formed in every affected village after the alignment is finalized, to enable timely feedback and inclusion of women PAPs’ concerns in Project implementation.</p> <p>In case of any further concerns raised by PAP committees on the effectiveness of measures put in place, appropriate action will be taken by the NHA.</p>
4	<p><i>Project Changes and Delays.</i> The community is surprised at the attitude of the World Bank for reviving a sick project that was signed in 2018 with multiple changes in the alignment from time to time. Having some experience on working with WB projects it is surprising that the loan commitments have been extended without any plausible reasons by the WB and to our understanding all donor projects are time bound and are invariably shelved if satisfactory progress is not achieved within a certain time frame. The community is</p>	<p><i>Progress implementation has been delayed by several factors. However, such delays are not uncommon in road projects. No adverse impacts have resulted from the delays. Moreover, this is not an issue of compliance with Bank policies or procedures. The Bank does not unilaterally cancel loan commitments in response to delays, contrary to what the Request suggests. The Bank has approved the Government’s request to extend the Project’s closing date, as documented in the restructuring paper and following the internal decision making and clearance processes informed by consideration of Project risk and performance.</i></p> <p>Delays in the first three and a half years following Project approval are attributed to the Government’s lengthy internal approval processes and the COVID-19 pandemic.</p> <p>The Project was approved by the Bank’s Board on June 18, 2018, following approval by the Planning Commission’s Central Development Working Party (CDWP) of the PC-1 (Pakistan’s project document), which is the Government’s</p>

No.	Claim	Response
	<p>baffled by the approach of the WB for their affiliation for this particular project.</p>	<p>prerequisite for negotiations and presentation to the Board. Final approval of the PC-1 by the ECNEC (the last step in the process) was expected after the CWDP's approval. However, elections were held on July 25, 2018 and a change in the Government ensued, which delayed the ECNEC approval and subsequent Project signing and effectiveness. In addition, during this time, in May 2018, the FATA were merged with KP Province.</p> <p>When the PC-1 was presented to the ECNEC on October 2, 2019, it was cleared for a lesser amount due to differences in the exchange rate. Legal documents were signed in December 2019. In the meantime, the Government conveyed its intention to not reduce the loan amount, and to utilize exchange rate gains to construct the SLR to connect National Highways N-5 and N-55 to the proposed PTEX, which would help to divert goods traffic from Peshawar city, reduce congestion and improve air quality.</p> <p>Subsequently, the effectiveness date was extended from March 12 to June 12, 2020. A revised PC-1 was prepared by the NHA, which included a concept stage alignment for the SLR and an estimated cost.</p> <p>Restructuring was completed on June 11, 2020. A Sustainable Development Unit in the Government of KP was added as implementing agency responsible for Component II; the SLR was included in the budget for Component I; and the closing date of the Project was extended. The ECNEC cleared the revised Project's PC-1 on July 16, 2020.</p> <p>Project implementation was then able to begin, but the pace remained slow due to the pandemic.</p> <p>On April 6, 2022, the NHA selected a Design Review and Supervision Consultant through a competitive process. One of the first tasks undertaken by the consultant was to review the concept stage alignment of the SLR and propose an alternate alignment if required, which it did on February 19, 2023.</p> <p>In parallel, the NHA also hired an independent firm to prepare the ESIA and RAP for the SLR. During the field work, the firm informed the NHA that the proposed alternative alignment was longer, required more land, included more buildings and orchards, and affected graveyards. This prompted the NHA to review the alternative, after which it reverted to the concept stage alignment. The concept stage alignment was then refined to minimize adverse impacts and this became the proposed preliminary alignment that was included in the bid documents. The ESIA</p>

No.	Claim	Response
		<p>for this alignment was completed by the end of 2023 and cleared by the Bank; it was disclosed in January 2024.</p> <p>The Project is being undertaken using a Design-Build modality, whereby the bidder will also propose the technical design, including refinements to the alignment. Based on the final selected design, all safeguard documents (particularly the RAP) will be updated by the NHA’s Design Review consultants and redisclosed.</p> <p>On August 24, 2023, seven firms/joint ventures were initially selected to participate in the bidding process for Component I, with the two roads divided into two lots. Bid documents were issued to the seven pre-selected bidders in February 2024, and bids were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024.</p>
5	<p>Implementing Agency Mandate. After the passage of the Ordinance for Amendment to the NHA act the NHA has only the mandate to construct link roads from one Motorway to another and in this case no motorway exists at either end (Annexure B).</p>	<p><i>NHA has the mandate to construct the SLR, which will be a part of NHA’s motorway network with a unique identifying number. The contention in the Request regarding the requirement for a motorway at both ends is not relevant.</i></p> <p>The NHA was established on June 16, 1991, through an Act of the Parliament. Its main responsibilities are to plan, promote, organize and implement programs for construction, development, operation, repairs and maintenance of national highways/motorways and strategic roads. The NHA Act of 1991 was amended through a Presidential Ordinance in November 2023, primarily to bring the NHA Act in conformity with the State-Owned Enterprises (SOE) Act of 2023. The main amendments relate to the governance structure, including composition of the National Highway Council and Executive Board of the NHA. It also includes updating, clarifying, and modifying of definitions. However, it in no way alters, curtails, or limits the NHA’s responsibilities.</p>
6	<p>Lack of Community Consultations. The community was never consulted on the viability, economic benefit and ways to alleviate their concerns. Though there were no general elections for an extended period to time but the elected local bodies members representing the community were never consulted and to the best of our knowledge all</p>	<p><i>Consultations with the affected communities have been carried out to collect the views of stakeholders regarding the proposed Project and identify measures to maximize Project benefits and minimize impacts.</i></p> <p><i>There have been challenges in consulting directly with elected officials due to factors beyond the Project’s control.</i> Local government elections had been held in March 2022, but due to political turmoil a number of elected representatives of local government were not functional. The KP provincial assembly was dissolved in December 2022. There were no provincial elected representatives until country-wide elections were held in</p>

No.	Claim	Response
	<p>the documents submitted to the Executive Board were based on assumption rather than proper consultation process with the community. A list of members of the local bodies is attached to confirm that only irrelevant people were consulted and duped by informing that the surveys are intended to assess the need for WB and UNHCR assistance without any mention of the road project (Annexure C).</p>	<p>February 2024 and representatives of both federal and provincial governments were sworn in in March 2024.</p> <p>The Project was approved by the Bank’s Board of Directors on June 14, 2018. Prior to its approval, the required safeguard documents were prepared in consultation with relevant stakeholders including clan elders and <i>maliks</i> (tribal leaders), male and female PAPs, civil administration, officials of line departments, trade associations, members of civil society and the media. The ESIA and RAP for the PTEX under Component I were publicly disclosed on January 17, 2018, and January 30, 2018, respectively; and the Social Management Framework, Environmental Management Framework and Resettlement Policy Framework under Component II were made publicly available on February 13, 2018, February 2, 2018 and February 13, 2018, respectively.</p> <p>The ESIA for the SLR under Component I, which was added later, was prepared during 2022-2023 and disclosed on January 1, 2024. Consultations were undertaken during the preparation of the ESIA (August-September 2022 and May 2023) as documented in the ESIA.</p> <p>The SLR draft RAP is currently under review by the Bank. It will be disclosed in draft for PAPs’ feedback after the alignment has been finalized and the RAP has been updated in accordance with the requirements of the Bank and the Government of Pakistan. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed.</p> <p>Community consultations were held, which were attended by 747 individual PAPs, to inform the preparation of the draft RAP. Both the ESIA and the draft RAP contain participation sheets with signatures of PAPs who attended. In a few instances PAPs did not wish to sign and for these meetings, sign-in sheets were not prepared.</p> <p>The main objective of these consultations was to inform stakeholders about the proposed SLR, collect their views and identify measures to maximize benefits and minimize impacts to inform Project design. Summaries of these consultations/ feedback are documented in the ESIA and RAP.</p> <p>PAPs, the general population in the Project area of influence, and representatives of Government departments have been consulted. A variety of consultation methods have been used – community meetings (separate for men and women), meetings with PAPs potentially losing residential and commercial structures, focus group discussions, and meetings to prepare village profiles. Twelve village-level consultations were held</p>

No.	Claim	Response
		<p>with Project-affected men and eight with women, in accordance with local cultural requirements, which are documented in ESIA, Section 4.9. As noted above, there have been challenges in consulting directly with elected officials due to factors beyond the Project’s control. It is likely, however, that elected representatives participated in the consultations as community members, and they will be invited in their formal capacity to all future public consultations.</p> <p>Since early May to the present, three public consultations have been conducted, in the villages of Tarnab, Mashokhel, and Sangu.</p> <p>The Borrower has been advised to intensify consultations and to hold at least two community-level consultations (male and female) along the ROW of the preliminary alignment on a weekly basis, as the Project moves towards finalization of the alignment, and thereafter towards compensation payments and implementation.</p> <p>Consultations will continue during the preparation of the draft RAP, during the updating of the ESIA and RAP after the final alignment is proposed, and through Project implementation, in accordance with OP 4.12.</p>
7	<p>Land Disputes. Another issue prevalent in the area is the disparity between ownership documents and possession and cultivation of the land. The only settlement of this issue was done in 1927 and since then this has not been discussed to deliberated upon by the government so a constant conflict exists between the two groups in the whole belt. This seriously affects the land compensation issue and there exists a distinct possibility of armed conflict between the absentee owners and tillers.</p>	<p><i>In accordance with the SLR RAP, the Project will compensate all categories of PAPs adversely impacted by the land acquisition process undertaken in anticipation of the Project. This will include landowners and land users. Thus, the potential for conflict between landowners and land users in the context of land acquisition – as raised in the Request – has been significantly reduced through this mitigation measure. All types of PAPs would be compensated directly and individually, in accordance with the particular entitlements accruing to them.</i></p> <p>The compensation formula for each category of PAPs and interested persons is calculated pursuant to the provisions under OP 4.12 and LAA 1894. Based on the due diligence conducted, the situation described by the Requesters is not anticipated to arise. It is also not anticipated that further engagement or agreement between interested persons (including absentee landowners and users) would be required to implement the compensation, thereby reducing the potential for conflict.</p> <p>As required by the Bank’s Operational Policy (OP) 4.12 on Involuntary Resettlement, under the draft RAP, a census and inventory of losses covering 100 percent of the PAPs has been conducted to determine who would be eligible for compensation and assistance. The inventory is based on detailed field measurements of land and assets and has been</p>

No.	Claim	Response
		<p>documented.</p> <p>An entitlement matrix has been prepared using the information gathered through the census. The matrix covers (i) those with legal title to the land; (ii) those who have formal legal rights to land, including customary and traditional rights; (iii) those who do not have formal legal rights to the land at the time of the census but have a claim to such land or assets that are recognized under law, such as user rights; and (iv) those who do not have recognizable legal right or claim to the land they are occupying. The Revenue Record will also be checked in instances where formal tenancy agreements have been entered by the owners and cultivators/sharecroppers, although the possession of a formal agreement will not be a bar to compensation, and the on-the-ground situation as documented in the RAP will also be a determinant. Tenancy agreements are private matters between the owner and tenant and are not relevant to the provision of compensation under OP 4.12.</p> <p>The draft RAP requires that compensation payments be made directly to all eligible rights holders. These include interested persons within the meaning of the LAA, landowners with formal title, cultivators and sharecroppers with written or verbal agreements with owners, or informal settlers without rights to the land they are occupying. A compensation formula is provided for each category.</p> <p>The draft RAP also requires engagement of an EMA (a third-party verifier) to verify the following: (i) that rates represent replacement cost when the RAP is updated based on the alignment proposed by the contractor; (ii) the legal ownership and/or rights to land as per the OP 4.12 categories; and (iii) the payment of compensation to all entitled PAPs of all categories in accordance with the RAP before the client takes possession of land or assets. In this way, no entitled PAP will be left without due compensation.</p> <p>Construction works can commence only after compensation per the approved RAP has been paid to affected persons, and the Bank provides a Letter of No Objection to start works.</p> <p>A Project GRM is available to assist with resolving disagreements over ownership, in coordination with relevant Government departments, such as the Revenue Department and Civil Administration, and existing community dispute resolution mechanisms (for example, jirgas).</p> <p>The District Government of KP has confirmed to the NHA that during the past ten years no evidence of large-scale dispute exists in the area. Smaller-scale, family-level disputes have</p>

No.	Claim	Response
		<p>occurred, which, according to the government representative, is not out of the ordinary.</p> <p>The Government (both the NHA and the provincial government) is cognizant of the challenges and sensitivities involved in land acquisition and involuntary resettlement, and to this effect, a committee was established by the Government of KP on March 12, 2024 to ensure a smooth implementation of the land acquisition process, to coordinate with relevant government agencies and other stakeholders, and to ensure that the process complies with relevant laws, regulations and policies.</p>
8	<p>Project Changes. As mentioned earlier there have multiple changes to the alignment of this project and the community would like to know how can the WB allow a change in the scope of work. Having personnel project experience, it is one of the most difficult tasks to continually alter the scope and quantity of work.</p>	<p><i>No adverse impacts have resulted from changes to the Project design. Changes in Project design are not unusual for a project of this type and scale. Moreover, this is not a matter of policy compliance.</i></p> <p>This contention is incorrect. The only changes to the originally approved Project were the inclusion of the Government of KP as an implementing agency for Component II, and the inclusion of the SLR as a result of currency fluctuations that benefited the Pakistani rupee. There are no other changes to the scope of work and the Project Development Objectives remain the same. Nor are there any changes to the procurement modality.</p> <p>The changes to the alignment (see Item 4 above) were made to minimize resettlement and land acquisition. The NHA took considerable care in developing the preliminary alignment, and kept the Bank informed regarding the process for alignment selection.</p>
9	<p>Interagency Disagreement. All the regulatory agencies like the Agriculture Department, forest Department, Environmental Protection Agency and many other departments have disagreed with the contentions of NHA. (Annexure A)</p>	<p><i>The views of relevant departments were sought to identify potential adverse impacts that require mitigation and these were documented in the ESIA. This does not represent inter-agency disagreements on the Government’s decision process, as suggested by the Request.</i></p> <p>All relevant Government departments were consulted during the preparation of the ESIA, and as part of the process were encouraged to express their views freely. The main purpose of these consultations was to obtain feedback, and where possible to integrate suggestions into Project design. The departments mentioned in the Request highlighted the potential negative impacts of the Project, which were reflected in the ESIA. The safeguard documents prepared by the NHA also candidly list potential adverse impacts anticipated by the Project, together with the proposed measures for the NHA to undertake to mitigate such impacts.</p>

No.	Claim	Response
		See ESIA, Table 4.5, for a summary of such consultations, departments' discussion points/concerns and how these were addressed in the ESIA.
10	<p>Geopolitical Context. The project is supposed to a component of the KP Economic Corridor linking Pakistan and Afghanistan for trade facilities but with daily clashes on the borders between the two country who in his right mind would conceive and execute such a project and the mortal fear of the community is that after destroying our livelihood the project will be eventually be abandoned in light of the prevalent geopolitical situation.</p>	<p><i>The Government, both federal and provincial, has maintained a strong commitment to the Project, which enjoys a high national priority. In Management's view, there are no indications that the Project could be abandoned, as claimed by the Request.</i></p> <p><i>Even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national land acquisition law and Bank policy.</i></p> <p>Management does not believe that the Project is likely to be abandoned during implementation. While hostile encounters between the security forces of Afghanistan and Pakistan have occurred, those have been intermittent, and they have not stopped trade or transit between the two countries. Even at the height of extreme militancy in the past two decades, 4,000 to 5,000 trucks have used the main border crossing at Torkham daily. The majority of Afghanistan's international and bilateral trade enters and leaves through Torkham. The Government is currently in the process of completing a modern border terminal at Torkham with support from the Asian Development Bank. This Project is part of Corridor 5 under the Central Asia Regional Economic Cooperation Program, to which the Government is committed, and the expressway is planned to dovetail into the new border terminal. The Project aims to contribute to social sustainability through increased trade and connectivity, which over time may help reduce potential for conflict by generating common interests.</p>
11	<p>Compensation. No government agency has ever paid the agreed compensation in a timely manner, the case in point being the SNGPL destroying a vast stretch of agricultural and people are waiting for compensation for the last 6 years. The compensation paid for land acquisition is pittance compared to the going market rate as determined by the Land Acquisition Act of 1894 and no changes to the</p>	<p><i>No land acquisition has occurred to date and hence no compensation for land has been determined or offered. The Requesters refer to experiences or reports about compensation from unrelated, non-Bank-supported projects in the past that are not connected to this Project, (i.e., the Sui Northern Gas Pipelines Limited mentioned in the Request).</i></p> <p>OP 4.12 on Involuntary Resettlement requires payment of compensation at replacement cost prior to taking possession of the land or asset in question. Replacement cost is different than market price, as it requires an amount sufficient to replace lost assets with new ones, including transaction costs; depreciation of structures and assets is not taken into account. For purposes of the Project, replacement cost is deemed to be market price plus a 15 percent "Compulsory Acquisition Surcharge," without</p>

No.	Claim	Response
	<p>Act have been made for more than a century so the anguish of the community can be appreciated and the government has a poor record of payment to the affected community so the WB is requested to join in the determination of a fair market rate if the project somehow takes off.</p>	<p>accounting for depreciation. Moreover, individual landholders (and all PAPs for that matter) have access to the Project GRM to raise issues associated with compensation valuation during RAP implementation.</p> <p>The draft RAP includes an Implementation Schedule that will be closely followed by the NHA and contractor, and regularly monitored by the Bank. This will ensure that payments are made in a timely manner, and construction is organized in sync with the compensation schedule.</p> <p>As noted, the draft RAP also requires engagement of an EMA to verify replacement cost price and the compensation process.</p>
12	<p>Graveyard Displacement. Dozens of our graveyards are going to be uprooted so in the end the community will not have a place to live in, no means of livelihood and no place to be buried in. The NHA report that indicates graveyards is based on the Land Settlement of 1927 and has not been revised in almost a century and dozens of private graveyards of individuals have come up and have been conveniently ignored in the appraisal report.</p>	<p><i>Under the preliminary SLR alignment, no graveyards would be affected.</i></p> <p>The ROW of the preliminary SLR alignment has been selected to avoid adverse impacts on graveyards and other community assets. This selection has been made on the basis of the existing placement of socially sensitive receptors, such as graveyards, as the result of ground surveys, and not on the basis of the 1927 land settlement referred to by the Requesters.</p> <p>While no graveyards were identified in the ROW, any graves that may be found within the ROW in the future will be carefully exhumed to a location selected in consultation and coordination with the families of the deceased and the local religious leaders. Transparent communication with all relevant parties, including families and community members, will be conducted pursuant to Bank policy and the applicable laws in Pakistan.</p> <p>OP 4.11 stipulates protection of physical cultural resources. The policy also requires that project activities not contravene national legislation or country obligations under international environmental treaties and agreements. Therefore, any potential relocation of graves will adhere to religious custom and law, and the NHA would cover all costs associated with grave relocation.</p>
13	<p>Land Issues. We are thankful to the Pakistan chapter of Human Rights Watch and the Daily Dawn for taking notice and writing a comprehensive report on the repressive colonial era Land Acquisition Act of 1894 which has affected a large segment of the population in this country. The report is shared as</p>	<p><i>Compensation for land acquisition will follow the standards enshrined in Bank policy, specifically OP 4.12.</i></p> <p>The Bank requires that the Project follow the requirements of the Government of Pakistan and Bank policies.</p> <p>The applicable land-related law in Pakistan is the Land Acquisition Act, 1894 (LAA) and its successive amendments (including Amendment 11-C, which recognizes communally and tribally owned land and puts in place procedures for land acquisition and compensation for the newly merged districts</p>

No.	Claim	Response
	(Annexure D)	<p>where land settlement has not been done by the Government, which is the case in the Khyber district) and the applicable Bank policy is OP 4.12 on Involuntary Resettlement.</p> <p>The Bank is aware of the differences between the LAA 1894 and OP 4.12. The draft RAP provides a comparison of the two and includes measures to reconcile the inconsistencies between them.</p>
14	<p>Risk of Violence. An unfortunate act of violence did occur in the project area against the survey staff of project and the lynching was prevented by the intervention of the area elders and members of the local bodies but we foresee more of these incidents if the project is continued.</p>	<p><i>The incident described in the Request could not be confirmed by Project authorities.</i></p> <p>The only incident that could be confirmed was an argument between community members and Project consultants in 2023, following which the consultations had to be adjourned. However, this was not related to the SLR. Rather it pertained to consultations for the study that provides the analytical underpinning for economic development along the corridor and concerned another consultant firm that was hired by the Government of KP to prepare the SMP-WGP, which is under Component II of the Project.</p>
15	<p>Court Cases. A court of law has already issued an injunction against any progress on the project and we fear a long drawn legal battle reaching the Supreme Court of Pakistan and it's up to the WB to imagine the delays this project is going to face in the coming years.</p>	<p><i>The NHA informed the Bank that no injunction has been issued by the court to stop any work under this Project. The Bank has reviewed the pertaining court documents.</i></p> <p>As per the information provided by the NHA, two cases in which the NHA was named as respondent were filed in civil court seeking an injunction to stop the Project. In the first case, the petitioner requested a temporary injunction, which was granted. This interim relief was later withdrawn and the case was dismissed, following NHA's submission to the court that the SLR alignment had not been finalized.³</p> <p>The second case, very similar to the first, is currently being heard.⁴ As per the information provided by the NHA, no injunction has been issued by the court to date to stop any work.</p> <p>Relevant court documents have been provided by the NHA for the Bank's information.</p>
16	<p>In light of the above we seriously believe that the WB Executive Board has been misled on the benefits of this</p>	<p><i>A comprehensive economic analysis was prepared for the Project, which concluded that the Project would have a high economic rate of return, in addition to other socio-economic benefits.</i> The Project was subject to the Bank's internal review and approval process before being presented to the</p>

³ Court Order of Shabeena Noor - Civil Judge VIII, Peshawar, on Suit No. 75/6 and 88/1 of May 22, 2024, Hidayatullah Khan vs NHA.

⁴ Civil Suit, Hilal Ahmad vs. NHA.

No.	Claim	Response
	project and requires a serious investigation and inquiry.	Board. There is no basis to claim that the Bank's Board was misled.
17	<p>Policy Compliance. WB policies not followed:</p> <ul style="list-style-type: none"> • Consultations not held with the community at any level. • Environmental concerns not addressed. • Our social norms not taken into consideration. • Our displacement and loss of livelihoods not addressed. 	<p><i>The Project is still at very early stages of implementation, with no land acquisition or construction works having started to date. Management considers that Project activities to date meet the requirements of the applicable Bank policies and procedures. The policies will continue to be applied and their application monitored as works begin and throughout Project implementation.</i></p> <p>See Item 6 above for details on consultations held during the preparation of environmental and social instruments for the SLR.</p> <p>See Item 2 above about mitigation measures included in the ESIA and ESMP, which will be implemented once construction starts, and will be diligently supervised by the Project supervision consultants and the World Bank.</p> <p>See Items 3, 6 and 12 above about efforts to ensure <i>purdah</i> and privacy, holding separate consultations with women PAPs in accordance with local cultural requirements, and relocation of graves in accordance with religious and local cultural requirements if any are affected by the final alignment.</p> <p>See Items 1 and 11 about efforts being made to ensure avoidance and minimization of impacts, as well as mitigation of losses, and preparation of an LRP.</p> <p>As explained earlier (Item 2), consultations were conducted with a wide range of stakeholders (see ESIA, Section 4.2). These included group consultations at various locations and consultations with individual persons being affected all along the preliminary alignment. In total, 252 PAPs were individually contacted regarding residential structures and 8 PAPs regarding commercial structures to discuss the Project and its impacts on their assets. Based on the preliminary alignment, 72 persons in 8 villages were consulted regarding Project impacts and their opinions were noted (ESIA, Section 4.6).</p> <p>In addition, consultations with government departments were held. Some of those consulted include: Agriculture District Officer, Peshawar; On Farm Water Management Officers of Nowshera, Peshawar, Khyber districts; Agriculture Officer (Extension), Nowshera; Head Quarter Wildlife Department, Peshawar, Additional Assistant Commissioner, Revenue; Divisional Forest Officer, Nowshera Forest Division; Agriculture Statistics Officer; Agriculture Officer (Extension) Nowshera; Deputy Director General, Social Welfare Department, Peshawar; Deputy Planning Officer Peshawar;</p>

No.	Claim	Response
		<p>Agriculture Officer (Extension), Peshawar; Sub Divisional Officer, Communication & Works Department, Nowshera; Assistant Commissioner, Pabbi Tehsil, Nowshera; Personal Assistant to Assistant Commissioner, Nowshera; and Director Agriculture, Peshawar (ESIA, Section 4.8).</p> <p>During these consultations, the ESIA consultants explained to the government officials the proposed Project and its impacts. ESIA, Table 4.5, provides a summary of such consultations; with additional detail in an annex to the ESIA.</p>
18	<p>Risk of Retaliation. Several of our villagers are under police radar for participating in protest meetings against this project.</p>	<p><i>The Bank is not aware of villagers being “under police radar” for participating in protest meetings against the Project, and no such concerns have been raised with the Bank previously.</i></p> <p>While the Bank knows of no reprisals carried out by the NHA or the provincial government, it has emphasized in writing to the Government the absolute necessity of protecting complainants and villagers who disagree with the Project from any form of threat, intimidation or reprisal.</p> <p>It is important to note that the country, and especially the province of KP, has witnessed political turmoil and tensions since mid-2022. There have also been intermittent incidents of terrorism and militancy within the Project area. This has led to a general increase in the presence and activities of law enforcement agencies.</p> <p>The World Bank does not tolerate reprisals and retaliation against those who share their views about Bank-financed projects. Any form of intimidation against people who comment on Bank projects, research, activities and their impact, goes against the Bank’s core values of respecting the people it works for and acting with utmost integrity, as noted in the Bank’s public statement against reprisals. When complaints, including allegations of reprisal in connection with Bank projects, are brought to the Bank’s attention, it works with appropriate parties to address them.</p>